

the excess bonds from your New Treasury Direct account and refund the payment price to your bank account of record using the ACH method of payment.

§ 351.68 Are taxpayer identification numbers (TINs) required for registration of book-entry Series EE savings bonds?

The TIN of each person named in the registration is required to purchase a book-entry bond.

§ 351.69 When is a book-entry Series EE savings bond validly issued?

A book-entry bond is validly issued when it is posted to your New Treasury Direct account.

§ 351.70 How are redemption values calculated for book-entry Series EE savings bonds?

We base current redemption values (CRV) for book-entry Series EE savings bonds on the definitive savings bond CRV. We use the CRV for a \$100 principal amount as calculated in § 351.16 to calculate a CRV prorated to the book-entry principal investment amount for the corresponding issue and redemption dates. Calculated book-entry CRV will be rounded to the nearest one cent.³ The formula is as follows:

[Book-entry principal investment ÷ \$100] × [CRV value for \$100 principal amount].

§ 351.71 How can I find out what my book-entry Series EE savings bonds are worth?

(a) *Redemption values.* You may access redemption values for your book-entry bonds through your New Treasury Direct account.

(b) *Redemption penalty.* Redemption values shown in your New Treasury Direct account for bonds that are within 5 years from issue date reflect the three-month interest penalty applied to bonds redeemed prior to five years from the issue date.

³Example: Calculated value of \$25.044 rounds to \$25.04; calculated value of \$25.045 rounds to \$25.05.

§§ 351.72–351.80 [Reserved]

Subpart E—Miscellaneous Provisions

§ 351.81 Is the Education Savings Bond Program available for Series EE savings bonds?

You may be able to exclude from income for Federal income tax purposes all or part of the interest received on the redemption of qualified bonds during the year. To qualify for the program, you or the coowner (in the case of definitive savings bonds) must have paid qualified higher education expenses during the same year. You also must have satisfied certain other conditions. This exclusion is known as the Education Savings Bond Program. Information about the program can be found in Internal Revenue Service Publications. (For example, see Publication 17, “Your Federal Income Tax,” Publication 550, “Investment Income and Expenses,” and Publication 970, “Tax Benefits for Higher Education.”) These publications are available on the IRS Web site at <http://www.irs.gov>.

§ 351.82 Does Public Debt prohibit the issuance of Series EE savings bonds in a chain letter scheme?

We do not permit bonds to be issued in a chain letter or pyramid scheme. We authorize an issuing agent to refuse to issue a bond or accept a purchase order if there is reason to believe that a purchase is connected with a chain letter. The agent’s decision is final.

§ 351.83 May Public Debt issue Series EE savings bonds only in book-entry form?

We reserve the right to issue bonds only in book-entry form.

§ 351.84 Does Public Debt make any reservations as to issue of Series EE savings bonds?

We may reject any application for Series EE bonds, in whole or in part. We may refuse to issue, or permit to be issued, any bonds in any case or class of cases, if we deem the action to be in the public interest. Our action in any such respect is final.